

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFF ALPHONSO REED and all others similarly situated

DEFENDANT MIDLAND CREDIT MANAGEMENT & MIDLAND FUNDING, LLC

(b) County of Residence of First Listed Plaintiff Philadelphia
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

(c) Attorney's (Firm Name, Address, and Telephone Number) Cary L. Flitter, Esq. and Andrew M. Milz, Esq., Flitter Lorenz, P.C., 450 N. Narberth Avenue, Suite 101, Narberth, PA 19072, (610) 822-0782

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | |
|--|---|----------------------------|----------------------------|
| PTF | DEF | PTF | DEF |
| Citizen of This State <input type="checkbox"/> 1 | <input type="checkbox"/> 1 Incorporated <i>or</i> Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State <input type="checkbox"/> 2 | <input type="checkbox"/> 2 Incorporated <i>and</i> Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country <input type="checkbox"/> 3 | <input type="checkbox"/> 3 Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	PROPERTY RIGHTS	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 660 Occupational Safety/Health	SOCIAL SECURITY	<input checked="" type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 360 Other Personal Injury	LABOR	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 810 Selective Service
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 850 Securities/Commodities/Exchange
<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 720 Labor/Mgmt. Relations	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 890 Other Statutory Actions
REAL PROPERTY	CIVIL RIGHTS	<input type="checkbox"/> 740 Railway Labor Act	FEDERAL TAX SUITS	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 892 Economic Stabilization Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 443 Housing/Accommodations			<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 444 Welfare			<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 445 Amer. w/Disabilities - Employment	PRISONER PETITIONS		<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 446 Amer. w/Disabilities - Other	<input type="checkbox"/> 510 Motions to Vacate Sentence		<input type="checkbox"/> 950 Constitutionality of State Statutes
	<input type="checkbox"/> 440 Other Civil Rights	Habeas Corpus:		
		<input type="checkbox"/> 530 General		
		<input type="checkbox"/> 535 Death Penalty		
		<input type="checkbox"/> 540 Mandamus & Other		
		<input type="checkbox"/> 550 Civil Rights		
		<input type="checkbox"/> 555 Prison Condition		

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

15 U.S.C. § 1692

Brief description of cause: Fair Debt Collection Practices Act

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint
JURY DEMAND: ☒ Yes ☐ No.

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE 8/19/15 SIGNATURE OF ATTORNEY OF RECORD 

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

APPENDIX I

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CASE MANAGEMENT TRACK DESIGNATION FORM

ALPHONSO REED, and all others similarly situated	:	CIVIL ACTION
	:	
V.	:	
	:	NO.
MIDLAND CREDIT MANAGEMENT	:	
& MIDLAND FUNDING, LLC	:	


In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. §2241 through §2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases) (X)
- (f) Standard Management – Cases that do not fall into any one of the other tracks. ()

8/19/15
Date

610-822-0782
Telephone
(Civ.660) 10/02



Attorney at Law

610-667-0552
Fax Number

Andrew M. Milz
Attorney for Plaintiff

amilz@consumerslaw.com
E-Mail Address

UNITED STATES DISTRICT COURT

APPENDIX F

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 6030 Clifford Terrace, Philadelphia, PA 19151

Address of Defendants: 8875 Aero Drive, Suite 200, San Diego, CA 92123

Place of Accident, Incident or Transaction: Philadelphia, PA 19151

(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?
(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes ☐ No ☒

Does this case involve multidistrict litigation possibilities? Yes ☐ No ☒

RELATED CASE, IF ANY:

Case Number: _____ Judge _____ Date Terminated: _____

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?
Yes ☐ No ☒
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?
Yes ☐ No ☒
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court?
Yes ☐ No ☒

CIVIL: (Place ☒ in ONE CATEGORY ONLY)

A. Federal Question Cases:

1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☐ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☒ All other Federal Question Cases

(Please specify) Fair Debt Collection Practices Act, 15 U.S.C. § 1692

B. Diversity Jurisdiction Cases:

1. ☐ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury (Please specify)
7. ☐ Products Liability
8. ☐ Products Liability (Asbestos)
9. ☐ All other Diversity Cases
(Please specify)

ARBITRATION CERTIFICATION

(Check appropriate Category)

I, Andrew M. M. / 2, counsel of record do hereby certify:

☒ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;

☒ Relief other than monetary damages is sought

DATE: 8/19/15

Attorney-at-Law

207715

Attorney I.D.

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 8/19/15

CIV.609 (4/03)

Attorney-at-Law

207715

Attorney I.D.

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ALPHONSO REED, *and all others similarly
situated*,
6030 Clifford Terrace
Philadelphia, PA 19151,

Plaintiff,

vs.

MIDLAND CREDIT MANAGEMENT
8875 Aero Drive, Suite 200
San Diego, CA 92123

and

MIDLAND FUNDING, LLC
8875 Aero Drive, Suite 200
San Diego, CA 92123,

Defendants.

CIVIL ACTION

NO.

CLASS ACTION

COMPLAINT

I. INTRODUCTION

1. This is a consumer class action for damages brought pursuant to the Fair Debt Collection Practices Act, 15 U.S.C. §1692 (“FDCPA”). The FDCPA prohibits debt collectors from engaging in deceptive and unfair practices in the collection of consumer debt.

2. Defendant debt collectors sent a collection notice to Plaintiff and the class that misrepresents potential tax implications of settlement of the consumer debt claimed due. Defendants deceptively state in their collection letter to Plaintiff and that Class that they “will report forgiveness of debt as required by IRS regulations,” even though there can be no conceivable circumstances in which IRS reporting would be required on the small debts of under \$600.

3. Defendants have violated the FDCPA by using false and deceptive representations in the collection of consumer debt.

II. JURISDICTION

4. Jurisdiction arises under the FDCPA, 15 U.S.C. §1692k, and 28 U.S.C. §§1331 and 1337.

5. *In personam* jurisdiction exists and venue is proper, as Defendants do business in this district and Plaintiff is situated in this district.

III. PARTIES

6. Plaintiff Alphonso Reed is a consumer who resides in Philadelphia, Pennsylvania at the address captioned above.

7. Defendant Midland Credit Management (“MCM”) is a nationwide debt collector with a principal place of business at the address captioned.

8. Defendant Midland Funding, LLC (“Midland Funding”) is a purchaser of charged-off consumer debts and has a principal place of business at the address captioned.

9. Defendants MCM and Midland Funding are collectively referred to as “Midland” or “Defendants.”

10. Defendants regularly engage in the collection of consumer debts using the mails and telephone or purchase consumer debt after default for the purposes of collection.

11. Each Defendant is a “debt collector” as that term is contemplated in the FDCPA, 15 U.S.C. § 1692a(6).

12. Midland Funding engaged MCM to collect the accounts here in issue.

13. Midland Funding is responsible for the acts of its collector, MCM.

IV. STATEMENT OF CLAIM

14. On August 26, 2014, Defendant MCM sent Plaintiff a communication in connection with a consumer debt allegedly due Midland Funding and arising from an old GE Capital Retail Bank/Old Navy account. (See correspondence from MCM attached hereto as Exhibit “A,” redacted per Fed. R. Civ. Pro. 5.2).

15. The collection communication listed a “Current Balance: \$307.69.” (See Exhibit “A”).

16. The August 26, 2014 letter goes on to state: “We will report forgiveness of debt as required by IRS regulations.” (Id.).

17. Section 6050P of the Internal Revenue Code and its regulations require that an applicable entity report (on Form 1099-C) any cancellation or discharge of indebtedness in excess of \$600.00, only if there has occurred an “identifiable event” described in paragraph (b)(2) of that section.

18. With a debt in the amount of \$307.69, as claimed here, there could never be any discharge over \$600.00 sufficient to trigger Midland’s IRS reporting obligation.

19. As a Form 1099-C would never issue in relation to this debt, injecting the gratuitous language about “report[ing of] forgiveness of debt as required by IRS regulations” serves only to confuse, deceive and intimidate.

20. The gratuitous, *in terrorem* reference in a collection letter that a creditor may be required to provide information on the consumer to the IRS is a collection ploy which suggests involvement of the IRS to the least sophisticated consumer.

21. The above statement is deceptive and misleading in the context of a collection letter seeking less than \$600.00.

CLASS ALLEGATIONS

22. Plaintiff brings this action on his own behalf and on behalf of a Class designated pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure.

23. Plaintiff proposes to define the Class as follows:

- a. All persons with addresses within the Eastern District of Pennsylvania;
- b. who were sent one or more letter(s) from Defendant MCM on behalf of Defendant Midland Funding;
- c. attempting to collect a consumer debt alleged due in connection with a GE Capital Retail Bank/ Old Navy account;
- d. where the debt being collected was stated to be less than \$600.00; and
- e. which stated “We will report forgiveness of debt as required by IRS regulations”;
- f. where the letter(s) bears a send date between August 26, 2014 and the date of the filing of this complaint.

24. The Class is believed to be so numerous that joinder of all members is impractical. This Complaint concerns mass-produced form collection letters.

25. There are questions of law or fact common to the Class. These include:

- a. Whether Defendants made false, deceptive or misleading representations in connection with the collection of a debt in violation of §1692e;
- b. Whether Defendants engaged in false representations and deceptive means to collect a consumer debt alleged due, in violation of 15 U.S.C. §1692e(10);
- c. Whether the form collection notice deceptively mentions IRS reporting and IRS regulations.

d. Whether and what amount of statutory damages are recoverable class-wide by Plaintiff and the Class for Midland's violation.

26. Plaintiff's claims are typical of the claims of the Class. Plaintiff and all Class Members were mailed the collection letter for an alleged GE Capital Retail Bank/ Old Navy debt with the same improper statement about IRS reporting and regulations. All claims are based on the same factual and legal theories, and there are no individualized issues.

27. Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff has no interests antagonistic to those of the Class and Plaintiff's counsel is competent and experienced in consumer credit cases and class actions.

28. The questions of law or fact common to the Class predominate over any questions affecting only individual members, and a class action is superior to other available methods for the fair and efficient adjudication of this controversy. The Class Members are consumer debtors, who may be unable to locate or afford to hire lawyers. Most are probably unaware that their rights, and the FDCPA, have been violated.

29. The Class may be certified under Fed. R. Civ. P. 23(b)(3), as such represents a superior method for the fair and efficient adjudication of this controversy in that:

a. Congress specifically contemplated FDCPA class actions as a principal means of enforcing the statute by private attorneys general. 15 U.S.C. § 1692k.

b. The interest of Class Members in individually controlling the prosecution of separate claims against debt collectors is small because the maximum statutory damages available in an individual action under the Act is \$1,000.00.

c. This class action covering consumers within the geographic boundaries of the Eastern District of Pennsylvania is likely to be easily manageable.

d. The case may require expert testimony, the substantial cost of which may be spread among the Class Members.

COUNT I – FAIR DEBT COLLECTION PRACTICES ACT

30. Plaintiff repeats the allegations set forth above as if the same were set forth at length herein.

31. Defendants violated the FDCPA by sending collection letters to Plaintiff and the Class which:

- a. Make false, deceptive, or misleading representations or statements in connection with the collection of consumer debt, 15 U.S.C. § 1692e; and
- b. Use false representation and deceptive means to collect a consumer debt, 15 U.S.C. §1692e(10).

WHEREFORE, Plaintiff Alphonso Reed, on behalf of himself and all others similarly situated, demands judgment against Defendants Midland Credit Management, Inc. and Midland Funding, LLC for:

- (a) Damages;
- (b) Attorney's fees and costs; and
- (c) Such other and further relief as the Court shall deem just and proper.

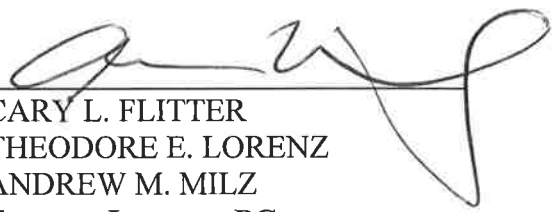
V. **DEMAND FOR JURY TRIAL**

Plaintiff demands a trial by jury as to all issues so triable.

Respectfully submitted:

Date:

8/19/15



CARY L. FLITTER
THEODORE E. LORENZ
ANDREW M. MILZ
FLITTER LORENZ, PC
450 N. Narberth Avenue, Suite 101
Narberth, PA 19072
(610) 822-0782

CARLO SABATINI
BRETT FREEMAN
SABATINI LAW FIRM, LLC
216 N. Blakely Street
Dunmore, PA 18512
(570) 341-9000

Attorneys for Plaintiff and the Class

EXHIBIT “A”



Midland Credit Management, Inc.
8875 Aero Drive
Suite 200
San Diego, CA 92123

08-26-2014

Alphonso Reed
116 N Carol Blvd
Upper Darby, PA 19082-1304



MCM Account Number	5714
Original Creditor	GE CAPITAL RETAIL BANK
Original Account Number	8959
CURRENT BALANCE	\$307.69

You are **pre-approved** for a 20% discount!
Call now: (800) 282-2644

Choose The Option That Works For You.

Dear Alphonso,

Midland Credit Management, Inc., understands a one-size payment plan doesn't fit everyone's needs. Special offers are now available to help you resolve your unpaid **GE Capital Retail Bank / Old Navy** account. Select one of the three options below and get closer to having one less thing to worry about.

Option 1: 20% OFF

Payment Due Date: 09-25-2014

You Pay Only

\$246.15**Option 2: 10% OFF**

First Payment Due Date: 09-25-2014

3 Monthly Payments of Only

\$92.30**Option 3: To hear more options, call one of our Account Managers.**

If these options don't work for you, call one of our Account Managers to help you set up a payment plan that does.

Sincerely,

H. Torres
Division Manager

This account may still be reported on your credit report as unpaid.

*If you pay your full balance, we will report your account as **Paid in Full**. If you pay less than your full balance, we will report your account as **Paid in Full for less than the full balance**.

Benefits of Paying!

- > **Save up to \$61.53 if you choose Option 1.**
- > Offer expiration date: 09-25-2014
- > After receiving your final payment, we will consider the account paid.*

CALL US TODAY!
(800) 282-2644

We are not obligated to renew this offer. We will report forgiveness of debt as required by IRS regulations.

Hours of Operation:

M - Th: 5:00am - 9:00pm PST
Fri: 5:00am - 5:00pm PST
Sat: 5:00am - 5:00pm PST
Sun: 5:00am - 9:00pm PST



Call:
(800) 282-2644



Click:
www.midlandcreditonline.com



Mail:
Payment coupon below

PLEASE SEE REVERSE SIDE FOR IMPORTANT INFORMATION.

Please tear off and return lower portion with payment in the envelope provided

PAYMENT COUPON

MCM Account No.: 5714
Original Account No.: 8959
Current Balance: \$307.69

Payment Due Date: 09-25-2014

Amount Enclosed:

5714 8959

Payment Options:

- 1) Mail in this coupon with your payment
- 2) Pay by phone (800) 282-2644

Make Check Payable to:
Midland Credit Management, Inc.



PO Box 60578
Los Angeles, CA 90060-0578

Important Disclosure Information:

Please understand this is a communication from a debt collector. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Calls to and/or from this company may be monitored or recorded.

The offer to settle this account for the discount(s) offered in this letter remains open until 09-25-2014. For further information, please call one of our Account Managers at (800) 282-2644.

MAIL PAYMENTS TO: P.O. Box 60578, Los Angeles, CA 90060-0578

MAIL CORRESPONDENCE BUT NO PAYMENTS TO: MCM's business address at 8875 Aero Drive, Suite 200, San Diego, CA 92123

We are required under state law to notify consumers of the following rights. This list does not contain a complete list of the rights consumers have under state and federal law:

IF YOU LIVE IN COLORADO, THIS APPLIES TO YOU:

FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT, SEE WWW.COLORADOATTORNEYGENERAL.GOV/CA

A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any other action authorized by law to collect the debt.

Midland Credit Management has a Colorado office with the following address and telephone number: 80 Garden Center, Suite 3, Broomfield, CO 80020. Telephone number: (303) 920-4763.

Only physical in-person payments may be accepted at this office location. All payments made via mail should be sent to the following address: P.O. Box 60578, Los Angeles, CA 90060-0578

IF YOU LIVE IN MASSACHUSETTS, THIS APPLIES TO YOU:

NOTICE OF IMPORTANT RIGHTS: You have the right to make a written or oral request that telephone calls regarding your debt not be made to you at your place of employment. Any such oral request will be valid for only ten (10) days unless you provide written confirmation of the request postmarked or delivered within seven (7) days of such request. You may terminate this request by writing to Midland Credit Management, Inc.

IF YOU LIVE IN MINNESOTA, THIS APPLIES TO YOU: This collection agency is licensed by the Minnesota Dept. of Commerce.

IF YOU LIVE IN NEW YORK CITY, THIS APPLIES TO YOU: New York City Department of Consumer Affairs License Number 1140603, 1207829, 1207820, 1227728

IF YOU LIVE IN NORTH CAROLINA, THIS APPLIES TO YOU: North Carolina Department of Insurance Permit #101659, #4182, #4250, and #3777. Midland Credit Management, Inc. 8875 Aero Drive, Suite 200, San Diego, CA 92123

IF YOU LIVE IN TENNESSEE, THIS APPLIES TO YOU: This collection agency is licensed by the Collection Service Board of the Department of Commerce and Insurance.

IF YOU LIVE IN CALIFORNIA, THIS APPLIES TO YOU:

The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or <http://www.ftc.gov>.

"Nonprofit credit counseling services may be available in the area."

As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit-reporting agency if you fail to fulfill the terms of your credit obligations.

IF YOU LIVE IN UTAH, THIS APPLIES TO YOU: As required by Utah law, you are hereby notified that a negative report on your credit record may be submitted to a credit reporting agency if you fail to meet the terms of your credit obligations.

IF YOU LIVE IN WYOMING, THIS APPLIES TO YOU: As required by law, you are hereby notified that a negative report on your credit record may be submitted to a credit reporting agency if you fail to meet the terms of your credit obligations.